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LETTER OF TRANSMITTAL

November 4, 2003

TO: Public Utilities Commission
465 S. King Street, Rm 103
Honolulu, HI 96813

We are enclosing the following:

Orig + 10 Docket No. 03-0371, In the Matter of Public Utilities Commission
 Instituting a Proceeding to Investigate Distributed Generation in
 Hawai'i

Orig + 10 Docket No. 03-0372, In the Matter of Public Utilities Commission
 Instituting a Proceeding to Investigate Competitive Bidding for New
 Generating Capacity in Hawai'i.

- ☐ For your information
- ☐ For your files
- ☐ For review and comment
- ☐ For correction
- ☐ For distribution
- ☐ Per your request
- ☐ Per our agreement
- ☐ Per our conversation

- ☐ For necessary action
- ☐ For signature in BLACK
 INK and RETURN
- ☐ For signature in BLACK
 INK and FORWARD TO
- ☒ For filing or recording
- ☐ See remarks below

REMARKS:

A handwritten signature in black ink, appearing to read "Lani Nakazawa", is written over a horizontal line.

LANI NAKAZAWA
County Attorney

Enclosure(s)

FILED
2003 NOV -6 A 10:23
PUBLIC UTILITIES
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of

PUBLIC UTILITIES COMMISSION

Instituting a Proceeding to
Investigate Distributed Generation
in Hawai'i.

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PUBLIC UTILITIES
COMMISSION

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FILED

COUNTY OF KAUAI'S MOTION
TO PARTICIPATE OR INTERVENE

AND

CERTIFICATE OF SERVICE

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the)	DOCKET NO. 03-0371
)	
PUBLIC UTILITIES COMMISSION)	COUNTY OF KAUAI'S
)	MOTION TO PARTICIPATE
Instituting a Proceeding To)	OR TO INTERVENE;
Investigate Distributed Generation)	CERTIFICATE OF SERVICE
in Hawaii.)	
)	

**COUNTY OF KAUAI'S MOTION TO
PARTICIPATE OR TO INTERVENE**

The Administration of the COUNTY OF KAUAI, a political subdivision of the State of Hawaii (County), by and through its attorneys, Lani D.H. Nakazawa and Christiane L. Nakea, hereby moves this honorable Public Utilities Commission (Commission) to authorize the County to participate in Docket No. 03-0371, a proceeding to investigate distributed generation in Hawaii. No hearing is requested on the motion.

The County desires participant status because it seeks limited involvement in this docket, but wishes to provide its input to the Commission about the impact of the docket issues on the island. However, should the Commission determine that intervention is more appropriate than participation to accomplish these purposes, the County is willing to become an intervenor.

In support of its Motion, the County represents and asserts it meets the requirements to participate, consistent with the Hawai'i Administrative Rules (HAR) title 6, section 61-56(b).¹

I. STATEMENT OF THE DIRECT AND SUBSTANTIAL INTEREST OF THE APPLICANT

The interest of the County of Kaua'i in this docket is as a result of its mandate, under the County Charter, to provide for and to protect the public health, safety and welfare of its residents and to otherwise maintain, protect and advance the interests of the public. This mandate includes, but is not limited to, land use planning, economic development, permitting, and energy emergency preparedness for disasters and market disruptions. The County, as the governing body for all of the residents of Kaua'i, has a vested interest in any impacts that distributed energy resources (DER) would have on the public and on the overall economy of the island, specifically in the delivery of safe, affordable and reliable energy. The docket investigates matters that affect the cost and availability of electricity on the island of Kaua'i, and is thus of interest to the County in carrying out its Charter duties.

The County is also concerned how the integrated resource planning (IRP) process will be affected by the deployment of distributed generation projects on Kaua'i.

Section 7-3.6 of the Kaua'i County Code (Ordinance No. 461) requires that "[p]rograms shall be developed which will make the County more self-sufficient in producing energy and less dependent on imported energy sources." In its efforts

¹ Should the Commission determine that the County should be an intervenor, the County notes that it has included in this motion reference to all matters required by HAR section 6-61-55 (b).

toward self-sufficiency, the County has DER opportunities and is interested in this docket, both as a potential DER generator and as a potential DER customer.

In addition to the interests arising out of its Charter and Code obligations stated above, the County has an interest in the proceeding and a right to participate in the hearing as a major consumer of electricity on the island.² As a large consumer, the County is interested in and is concerned about the manner in which electricity services may be planned, priced and provided to Kauaʻi and a direct interest in DER and the possibility of lower electricity prices through a competitive DER marketplace. The County is also interested in issue no. 5 of Order No. 20582 in this docket, which addresses “the rate design and cost allocation issues associated with the deployment of distributed generation facilities” as Commission’s decisions regarding these issues may affect electric rates paid by the County and its citizens.

Moreover, the County has opportunities for joint ventures with power generators and has strong interests in generating power at County facilities. The County’s interest in these opportunities arises from Hawaiʻi Revised Statutes section 46-19 which allows each of the counties (1) to participate in the development of alternative energy resources with an end user or public utility pursuant to a plan for the direct utilization of the energy sources, and (2) should a joint venture partner not be available, to proceed with the development of alternate energy sources for their own consumption or for the furtherance of a plan for direct utilization. In this regard, the County is conducting a landfill gas assessment study. The methane generated at the landfill may provide fuel for a DER operation at the landfill or at a nearby site. There is also interest in

²The County’s 2002 electric utility bills totaled more than \$4.4 million.

photovoltaic systems at County facilities that could be grid connected. Thus, renewable DER systems are of great interest to the County.

II. APPLICANT'S POSITION REGARDING THE MATTER IN CONTROVERSY

The County's positions are the consistent with its positions in the IRP process, the renewable energy resources docket (Docket No. 94-0226), and the electric competition docket (Docket No. 96-0493).

Our primary position in the Docket No. 96-0493 was that any restructuring activities in Hawai'i should focus first and foremost on the retail energy services market, which we defined as energy efficiency services and distributed generation services. The County agrees with the Commission's decision to close Docket No. 96-0493 and focus on the retail energy services market. However, the County believes that competition in the distributed energy resources market should be fair and a level playing field be afforded to all. A viable competitive marketplace for retail energy services is good for Kaua'i. The County's position in this docket (and in other, related dockets which impact government operations, planning and economic conditions on Kaua'i) will be protective of the County's ability to provide needed governmental services, so that this ability is not adversely affected by any changes to the existing structure of the electric power industry.

III. THE EXTENT TO WHICH PARTICIPATION WILL NOT BROADEN THE ISSUES OR DELAY THE PROCEEDING

The County's participation will not broaden the issues or delay the proceedings. The

County seeks participation primarily to be informed of the proceedings and to preserve its ability to comment on the issues of vital importance to the island and its citizens, who are all owners of the island electric utility. Many of the County's concerns have been raised by the Commission in Order No. 20582, and the County's participation will be consistent with, and not broaden or delay the proceedings as described by the Commission in that order.

IV. THE EXTENT TO WHICH THE APPLICANT'S INTEREST WILL NOT BE REPRESENTED BY EXISTING PARTIES

None of the parties known to the County have the same interests as the County as a large consumer and as the governing entity of the public affairs of the island of Kaua'i. The utilities have interests as producers and sellers of power to customers such as the County. The Consumer Advocate's emphasis is to ensure reasonably priced, reliably-delivered electric power to consumers, generally, and to residential consumers, in particular. No other party to this proceeding has the comprehensive interests of the County, which has the responsibility of the public welfare and commerce on the island of Kaua'i.³ There are no other means available whereby the County's interests and concerns may come before the Commission.

³ If other counties file motions to intervene and participate, the County urges the Commission to grant these motions in order to allow all interested counties access to this docket for the purpose of expressing concerns unique to their island jurisdictions.

V. STATEMENT OF THE EXPERTISE, KNOWLEDGE OR EXPERIENCE
POSSESSED BY THE APPLICANT WITH REGARD TO THE MATTER IN
CONTROVERSY

The County has been an intervenor, participant and collaborative member of the IRP process since its inception, and has participated in Docket Nos. 94-0226 and 96-0493, which concern related issues. With the experience from its participation in these dockets and the expertise of its energy coordinator, the County has the necessary ability to participate in this docket.

VI. WHETHER THE APPLICANT CAN AID THE COMMISSION BY SUBMITTING
AN AFFIRMATIVE CASE


The County, as stated above, has the background and interest in the issues to be addressed in this docket. It also has knowledge of conditions on the island, and can assist the Commission by providing its assessment of the various issues, and their effect on Kaua`i and its citizen-ratepayers.

VII. STATEMENT OF THE RELIEF DESIRED

The County cannot formulate a statement of the relief it desires, as its desired relief will be affected by the issues raised by the other parties to the docket. However, the County will be seeking an outcome from this docket that promotes the health and welfare of its citizen-ratepayers and the economy on Kaua`i, and that protects the interests of the County as a major ratepayer.

For all of the foregoing reasons, the County respectfully requests the Public Utilities Commission to grant the County participant status in Docket No. 03-0371, or if the Commission deems appropriate, to allow the County to intervene in the docket.

DATED: Līhu'e, Kaua'i, Hawai'i, November 4, 2003.



LANI D.H. NAKAZAWA
CHRISTIANE L. NAKEA
Attorneys for the County

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of the foregoing **COUNTY OF KAUAI'S MOTION TO PARTICIPATE OR TO INTERVENE** in Docket No. 03-0371 upon the following parties, by causing copies hereof to be mailed, postage prepaid, and properly addressed to each such party, as noted below.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (2 copies)
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
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Hilo, HI 96721-1027

DATED: Līhu'e, Kaua'i, Hawai'i, November 4, 2003.


LANI D.H. NAKAZAWA